



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

<b>Drafting Number:</b>	LLS 24-0571	<b>Date:</b>	March 1, 2024
<b>Prime Sponsors:</b>	Rep. Young; Bradfield Sen. Zenzinger; Lundeen	<b>Bill Status:</b>	House Health & Human Services
		<b>Fiscal Analyst:</b>	Aaron Carpenter   303-866-4918 aaron.carpenter@coleg.gov

**Bill Topic:** SUNSET PROCESS COMMISSION DEAF, HARD OF HEARING, AND DEAFBLIND

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

**Sunset bill.** This bill continues the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind in the Department of Human Services, which is scheduled to repeal on September 1, 2024. State fiscal impacts include both increased revenue and expenditures from changes to the program under the bill, as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2031.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$203,163 to the Department of Human Services.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 24-1276<sup>1</sup>**

New Impacts		Budget Year	Out Year	Out Year
		FY 2024-25	FY 2025-26	FY 2026-27
<b>Revenue</b>	Cash Funds	\$231,787	\$1,085,986	\$1,354,579
<b>Expenditures</b>	Cash Funds	\$231,787	\$1,085,986	\$1,354,579
	New FTE	1.6 FTE	6.3 FTE	7.0 FTE
<b>Continuing Impacts</b>				
<b>Revenue</b>	Cash Funds	-	\$2,308,535	\$2,308,535
<b>Expenditures<sup>2</sup></b>	General Fund and Cash Funds	-	\$2,911,749	\$2,911,749
	Continuing FTE	-	13.3 FTE	13.3 FTE

<sup>1</sup> Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal. New and continuing revenue is subject to TABOR.

<sup>2</sup> On February 15, 2024, the Joint Budget Committee approved an increase in \$500,000 from the General Fund to the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind for inclusion in the FY 2024-25 Long Bill. The fiscal note assumes that this increase in appropriations will be ongoing.

## Summary of Legislation

The bill continues the Colorado Commission for the Deaf, Hard of Hearing, and Deafblind for seven years until September 1, 2031. The bill also requires the commission to arrange auxiliary services for state departments and agencies that employ or serve individuals who are deaf, hard of hearing, or deafblind. Finally, the bill renames the “citizen council” for the commission as the “advisory council.”

## Background

The Colorado Commission for the Deaf, Hard of Hearing, and Deafblind provides several services to the deaf, hard of hearing, and deafblind community such as outreach, legal, and rural auxiliary services, and other services. The commission currently receives the majority of its funding from a surcharge charged on telephone lines. The full sunset report can be found [here](#).

## Continuing Program Impacts

By extending the commission, the bill will result in continuing cash fund revenue of \$2.3 million per year beginning in FY 2025-26 and continuing expenditures of \$2.9 million. The continuing expenditures amount is based on the FY 2023-24 Long Bill appropriations for the commission and recent Joint Budget Committee actions. Specifically, expenditures will include \$2.3 million from the Deaf and Hard of Hearing Cash Fund from telephone surcharges and \$103,000 General Fund, based on current year appropriations, plus an additional \$500,000 General Fund which has been approved by the JBC for inclusion in the FY 2024-25 Long Bill.

If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2025-26. This continuing revenue is subject to the state TABOR limits. If this bill is not enacted, the program will end on September 1, 2025, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2025-26 by the amounts shown in Table 1. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditures sections below.

## Background and Assumptions

The commission conducted a pilot program to fund auxiliary services to four state agencies in 2019. Based on that pilot program, it is estimated that contract auxiliary services will cost on average \$19,656 per department. In addition, the fiscal note assumes a three-year implementation to allow for time to hire sufficient staff, contract with appropriate vendors, and to communicate with state departments.

## State Revenue

Starting in FY 2024-25, the bill will increase state revenue to the Deaf and Hard of Hearing Cash Fund within DORA as shown in Table 2 and discussed below. This is new revenue that is in addition to the continuing revenue from extending the commission's sunset. This revenue is based on the estimated amounts required to cover new costs under the bill.

**Fee impact on telephone users.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by DORA based on cash fund balance, program costs, and the number of telephone lines subject to the fee. Currently, the telephone users with disability surcharge is \$0.03 per month. The table below identifies the fee impact of this bill.

**Table 2**  
**Fee Impact on Telephone Lines**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Estimated Fee Increase</b>	<b>Number Affected</b>	<b>Months</b>	<b>Total Fee Impact</b>
<b>FY 24-25</b>	Telephone Surcharge	\$0.003	6 million	12	\$231,787
<b>FY 25-26</b>	Telephone Surcharge	\$0.015	6 million	12	\$1,085,986
<b>FY 26-27</b>	Telephone Surcharge	\$0.019	6 million	12	\$1,354,579

## State Expenditures

Starting in FY 2024-25, cash fund expenditures in the CDHS will increase by \$232,000 in FY 2024-25, \$1.1 million in FY 2025-26, and \$1.4 million in FY 2026-27 to provide auxiliary services to all state agencies, as shown in Table 3 and discussed below.

**Table 3  
 Expenditures Under HB 24-1276**

	FY 2024-25	FY 2025-26	FY 2026-27
<b>Department of Human Services</b>			
Personal Services	\$112,271	\$527,966	\$596,753
Operating Expenses	\$2,048	\$8,064	\$8,960
Capital Outlay Costs	\$13,340	\$33,350	-
Contract Auxiliary Services	\$75,504	\$355,719	\$573,612
Travel Costs	-	\$40,128	\$40,128
Centrally Appropriated Costs <sup>1</sup>	\$28,624	\$120,759	\$135,126
<b>Total Cost</b>	1.6 FTE	6.3 FTE	7.0 FTE
<b>Total FTE</b>	<b>\$231,787</b>	<b>\$1,085,986</b>	<b>\$1,354,579</b>

<sup>3</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Staff.** The CDHS requires 7.0 FTE to administer auxiliary services to all state agencies, with this staff rolling out over three years. This includes a director to lead the program (starting September 1, 2024), a coordinator to receive and coordinate requests with interpreters and contractors (starting July 1, 2025), four interpreters to provide broad immediate coverage to agencies that requires services (starting September 1, 2025), and one staff assistant to provide administrative support (starting September 1, 2024). Staff costs include personal services, operating expenses, and capital outlay costs identified in Table 3.

**Auxiliary services.** Starting in FY 2024-25, expenditures in the CDHS will increase to provide contract auxiliary services to state departments that request services. The fiscal note assumes that implementation will roll out over three years. In the first year, it is assumed that \$75,504 is needed for contract services, which represents actual costs during the pilot program to serve four agencies. In the second year, the program will expand to include the Governor's Office and an additional ten agencies. Finally, in the last year, it is assumed services will roll out to all agencies. Costs for auxiliary services are assumed to cost \$19,656 per department except for the Governor's Office and the commission. Costs are assumed higher for these offices due to the population that works with the commission and the Governor's Office additional communication functions.

**Travel costs.** Starting in FY 2025-26, expenditures will increase for interpreters to travel to various state department locations to provide interpreter services. It is estimated that travel costs will be \$10,032 per FTE, and include costs for mileage reimbursement, per diem, and hotels.

**Centrally appropriated costs.** Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 3.

## Other Budget Impacts

**TABOR refunds.** The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amount of continuing and new revenue shown in Table 1. This estimate assumes the December 2023 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2025-26. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

**General Fund reserve.** Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by \$90,482 per year starting in FY 2025-26, decreasing the amount of General Fund available for other purposes.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

For FY 2024-25, the bill requires an appropriation of \$203,163 from the Colorado Telephone Users with Disabilities Cash Fund to the Colorado Commission for the Deaf and Hard of Hearing Cash Fund, which is reappropriated to the Department of Human Services with 1.6 FTE.

## State and Local Government Contacts

Human Services

Information Technology

Regulatory Agencies

---

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).